



# The Republic of Poland



*The mission of the Ministry of Economy is to create the best conditions for business activity in Europe*

## POPULATION

(as of 31.12.2010, based on balance)

		Main cities	
Total in thousand km <sup>2</sup>	38.200,0	Warsaw	1.720,4
per 1 km <sup>2</sup>	122	Cracow	756,2
males in thousand	18.444,4	Lodz	737,1
females in thousand	19.755,6	Wroclaw	633,0
per 100 males	107,1	Poznan	551,6
urban areas in thousand	23.264,4	Gdansk	457,0
rural areas in thousand	14.935,6	Szczecin	405,6
pre-working age in % (0-17 years)	18,7	Bydgoszcz	356,2
working-age in % (18-59/64 years)	64,4	Lublin	348,5
post-working age in % (60/65 years and more)	16,9		

## COMPONENTS OF GDP 2011

(value and share in current prices, in mln zł)

	Value	%	Indices
Gross domestic product	1.522.655,7	100,0	104,3
Total consumption	1.210.168,7	79,5	102,1
of which:			
private consumption	921.233,0	60,5	103,1
public consumption	276.660,4	18,2	99,3
Gross capital formation	331.738,2	21,8	110,0
of which gross fixed capital formation	309.048,9	20,3	108,5
Export of goods and services	681.011,4	44,7	107,3
Import of goods and services	700.262,6	46,0	105,9

## GDP per capita in 2010

in PPS (UE27=100)	63%
in zł	37.064



## GEOGRAPHIC FEATURES

The Republic of Poland is a country located in Central Europe, between the Baltic Sea in the north and the Carpathians and the Sudeten Mountains in the south. Poland's total surface area is 312.679 sq km. This makes it the ninth largest country in Europe, after Russia, Ukraine, France, Spain, Sweden, Germany, Finland and Norway. Poland is inhabited by more than 38 million people and it is the 34th largest population place in the world, and sixth in the European Union.

Forests cover 28.8% of Poland's land area. More than half of the land is devoted to agriculture. More than 1% of Poland's territory (3,145 km<sup>2</sup>) is protected within 23 Polish national parks.

The northeastern region called the Masurian Lake District with more than 2,000 lakes, is densely wooded, sparsely populated and lacks agricultural and industrial resources. Poland has 70 mountains over 2,000 meters in elevation, all in the Tatras.

Among the most beautiful mountains of Poland are the Beskids, the Karkonosze, the Bieszczady Mountains. The longest rivers are: the Vistula, the Oder which forms part of Poland's western border, its tributary, the Warta, and the Bug, a tributary of the Vistula. The Vistula and the Oder flow into the Baltic Sea, as do numerous smaller rivers in Pomerania.

## POLITICAL FRAMEWORK

### FORM OF STATE:

**Parliamentary Democracy**

### GOVERNMENT:

**President: Bronisław Komorowski**

**Prime Minister: Donald Tusk**

The Parliament consists of two legislative bodies: **Sejm of the Republic of Poland** – the lower house of the Polish parliament, is made up of 460 deputies. Candidates standing for Sejm must be citizens of Poland, enjoying full public rights and aged at least 21 on the day of the election.

**Senate of the Republic of Poland** - upper house of the Polish parliament that consists of 100 senators. Candidates to the Senate must be 30 years old.

Both are elected by proportional representation every four years.

### RULING PARTY:

The ruling party is the Civic Platform (PO) which has 207 deputies in Sejm, 63 in Senat and twenty five Members of the European Parliament. PO's coalition partner is the Polish Peasants' Party (PSL). It currently has 31 deputies in Sejm, one deputy in Senate and three Members of the European Parliament.

**Last election:** 9 October 2011

### TERRITORIAL ORGANIZATION OF THE STATE:

Poland is currently divided into 16 provinces known as voivodeships, these are further divided into 379 powiaty (counties), and these in turn are divided into 2.478 gminy (communes or municipalities).

## GENERAL INFORMATION

### OFFICIAL LANGUAGE: POLISH

### CAPITAL: WARSAW

### CURRENCY: zloty (zł, PLN)

1 zloty is divided into 100 groszy (1 zł=100gr). There are notes of 10,20,50,100,200 and coins of 1, 2, 5, 10, 20 and 50 gr and 1, 2, 5 zł

**TIME ZONE:** CET (UTC+1)  
Summer (DST) CEST (UTC+2)

**POLAND - BUSINESS INFORMATION**

<b>MAIN MACROECONOMIC INDICATORS 2011</b>		<b>BALANCE OF PAYMENT (in mln euro) 2011</b>	
Price index of consumer goods and services	104,3	Current account	-15.220
Index of sold production of industry	107,5	Trade balance	-10.303
Index of construction and assembly production	112,0	Export revenues	137.981
Average monthly wages and salaries in the national economy in zł	3.400	Import expenditure	148.284
Average employment in enterprise sector in thousand persons	5.544	Services' balance	4.855
Unemployment rate (%)	12,5	Capital account	8.033
		Financial account	18.396
		Direct Polish external investments	-4.092
		Direct foreign investment in Poland	9.929

<b>GROSS VALUE ADDED BY SELECTED NACE SECTIONS 2011</b>			
<i>(value and share in current prices, mln zł)</i>			
	Value	%	Indices
Agriculture, forestry and fishing	48.466	3,2	99,7
Industry	336.394	22,1	106,3
Mining and quarrying	35.804	2,4	103,9
Manufacturing	241.411	15,9	107,5
Electricity, gas, steam and air conditioning supply	42.351	2,8	101,8
Water supply; sewerage, waste management and remediation activities	16.828	1,1	106,4
Construction	107.882	7,1	111,8
Trade, repair of motor vehicles	263.113	17,3	104,6
Transport and storage	79.889	5,2	105,1
Financial and insurance activities	54.635	3,6	94,8
Public administration and defence; compulsory social security	71.581	4,7	103,2

<b>CHARACTERISTIC OF THE MAIN SECTORS</b>
<p>An analysis which shows how the value added is created gives an insight into structural changes taking place in the Polish economy. An increase in the value added in services has been observed. The contribution of agriculture keeps falling. The contribution of industry remains relatively stable.</p> <p>In 2010, Poland's services sector employed approx. 9.1 million people, i.e. approx. 57% employees of the entire Polish economy.</p> <p>In the business breakdown structure in the services sector in 2010 was active 76% of total number of enterprises. Out of them, more than 99% were private companies, mostly operating in: trade and repair of motor vehicles, professional, scientific and technical activities and transport and storage. The services sector is dominated by micro-enterprises.</p> <p>The largest subdivision of the services sector in Poland, in terms of the number of entities, employment and value of exports, is the trade and repair of motor vehicles section.</p> <p>Among industrial divisions the most important are: manufacture of food products, motor vehicles, trailers and semi trailers, fabricated metal products, chemicals and chemical products.</p> <p>The important role in the Polish economy plays automotive industry. Despite a still low level of sales of new vehicles on the domestic market, the production of cars intended mainly for export was dynamically developing.</p> <p>More than half of the land is devoted to agriculture. There are almost two and half million private farms in the country, and Poland is the leading producer in Europe of potatoes and rye and is one of the world's largest producers of sugar beets and triticale.</p>

<b>ECONOMIC PERFORMANCE</b>
<p>2010-2011 was the period of gradual recovery of the potential of Polish economy, after slowdown observed in 2009. Taking into account other countries of the European Union, the economic performance of Poland seems to be very sound, making Poland one of the European growth leaders.</p> <p>In 2011 GDP growth amounted to 4.3%, as an effect of the increase in individual consumption of 3.1% and growth of investment by 8.5%. The main factor of economic growth was the domestic demand. The annually GDP growth was maintained at similar level during consecutive quarters.</p> <p>In the whole year 2011 sold production of industry went up by 7.5% for complete statistical population, and by 7.7% in entities with more than 9 employees. The biggest increase was observed in manufacturing (by 8.3%).</p> <p>In the period of I-XII 2011 production in construction rose by 12.0% for complete statistical population, and by 16.3% in entities with more than 9 employees compared to corresponding period of 2010. This was caused by a low base effect, and simultaneously by favorable weather condition at the end of the year, as well as permanent improvement in economic activity in the construction industry.</p> <p>In the period of January-December 2011 the annual average consumer price index (CPI) amounted to 4.3%. The fastest growth was observed in transport prices (by 7.7%), in which fuels by 13.7%. The costs of the use of housing and energy carriers increased by 6.2%. Simultaneously producer price index surged by 7.6% and construction prices increased by 1.0% (yoy).</p> <p>In the period of I-XII 2011, the average employment in the enterprise sector increased by 3.2% compared to the previous year and amounted to 5,544 thous. persons. At the end of December 2011, the number of registered unemployed amounted to 1,983 thous. persons. The unemployment rate in December climbed to the highest level since April 2011 and shaped at 12.5%.</p>

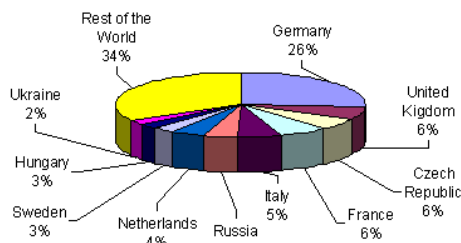
<b>BUSINESS ACTIVITY IN POLAND</b>
<p>Polish law offers various forms of conducting business activity, which enables entrepreneurs to choose between individual conducting of business activity, civil partnership, and other forms - not having legal personality. The most important factors determining the final choice of the form of conducting business activity include requirements concerning initial capital, scope of shareholders' liability or formalities prior to commencing business activity.</p> <p>The principal legal act governing business activity in Poland is the Economic Freedom Act of 2 July 2004. It regulates undertaking, running and closing businesses on the territory of Poland, as well as tasks of the public administration within this regard.</p> <p>Foreign persons from the EU and European Free Trade Agreement zones belonging to the European Economic Area may undertake and run business on the basis of the same rules applicable to Polish entrepreneurs.</p> <p>The same rules also apply to foreigners living outside the EEA who:</p> <ul style="list-style-type: none"> <li>● received a permit to settle on the Polish territory</li> <li>● a consent for tolerated stay or a status of refugee granted in the Republic of Poland</li> <li>● enjoy temporary protection within this territory.</li> </ul> <p>Other foreign persons have the right, unless international agreements state otherwise, to undertake and run business activity only in the following forms:</p> <ul style="list-style-type: none"> <li>● limited partnership</li> <li>● limited joint-stock partnership</li> <li>● limited liability company</li> <li>● joint-stock company.</li> </ul> <p>They have also the right to enter these kind of partnerships or companies and purchase their shares. Furthermore foreign entrepreneurs may run business activity in the form of branch office, and also set up representative offices on the territory.</p>

## INTERNATIONAL TRADE

### BY COUNTRIES\*

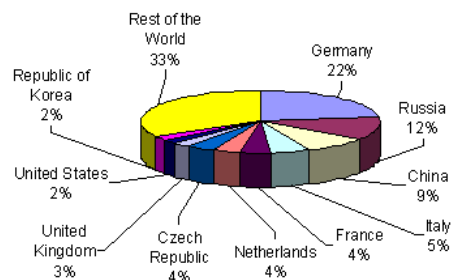
#### Export 2011 (mln euro)

<b>Total</b>	<b>135.754</b>
Germany	35.393
United Kingdom	8.717
Czech Republic	8.416
France	8.325
Italy	7.272
Russia	6.143
Netherlands	5.923
Sweden	3.859
Hungary	3.471
Ukraine	3.381
Rest of the World	44.849



#### Import 2011 (mln euro)

<b>Total</b>	<b>150.456</b>
Germany	33.528
Russia	18.378
China	13.245
Italy	7.929
France	6.310
Netherlands	5.606
Czech Republic	5.591
United Kingdom	3.941
United States	3.425
Republic of Korea	3.358
Rest of the World	49.145



\* preliminary information

### BY CN\*

#### Export 2011 (mln euro)

	Value	Share %
<b>Total</b>	<b>135.754</b>	<b>100,0</b>
Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	17.216	12,6
Nuclear reactors, boilers, machinery and mechanical appliances parts thereof	16.682	12,2
Electrical machinery and equipment and parts thereof	15.356	11,3
Furniture beddings, mattresses, lamps	7.206	5,3
Mineral fuels, mineral oils and products of their distillation bituminous substances, mineral waxes	6.638	4,9
Plastics and articles thereof	5.914	4,4
Articles of iron or steel	4.679	3,4
Iron and steel	3.880	2,9
Rubber and articles thereof	3.650	2,7
Ships, boats and floating structures	3.592	2,6
Other exports	50.942	37,5

#### Import 2011 (mln euro)

	Value	Share %
<b>Total</b>	<b>150.456</b>	<b>100,0</b>
Mineral fuels, mineral oils and products of their distillation bituminous substances, mineral waxes	19.188	12,7
Nuclear reactors, boilers, machinery and mechanical appliances parts thereof	17.969	11,9
Electrical machinery and equipment and parts thereof	15.027	9,9
Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	12.126	8,1
Plastics and articles thereof	8.634	5,7
Iron and steel	6.111	4,1
Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus parts and accessories thereof	4.372	2,9
Pharmaceutical products	4.342	2,9
Articles of iron or steel	3.774	2,5
Paper and paperboard articles of paper pulp, of paper or of paperboard	3.410	2,5
Other imports	55.499	36,9

### INVESTMENTS

Poland is a perfect place for investments and business expansion. Poland's 38 million strong consumer market is one of the biggest in Europe. The country's favorable location, in the centre of Europe, where the main communication routes intersect, makes it possible to export goods to all European countries and thus reach over 500 million consumers.

The next advantage of doing business in Poland are well educated employees, such as: economists, engineers, IT specialists or scientists and Poland's sustainable development which is the result of solid economic foundations.

In 2010 the inflow of foreign direct investments (FDI) to Poland amounted to EUR 6 686 million.

The majority of resources came from the following countries:

Country	mln euro
Luxembourg	1.945
Germany	1.627
Italy	1.020
Cyprus	843
Switzerland	510
United Kingdom	396
Sweden	343
Austria	327
Spain	252
Portugal	252

The activities concerning foreign investments in Poland are conducted by different institutions, among others: PAIiZ and COIE.

### PAIiZ

The Polish Information and Foreign Investment Agency (PAIiZ) was established in order to help foreign investors to enter Polish market and find the best ways to utilize the best possibilities available on Polish market. PAIiZ provides help through all the essential administrative and legal procedures involving project of the companies already active in Poland and companies that plan to start their activity in Poland.

Poland offers a wide range of investments in 14 Special Economic Zones (SEZ) on favorable conditions. SEZ consist of different regions, each zone is an administratively separate part of Polish territory.

The entrepreneur can obtain following privileges:

- tax exemption (CIT or PIT),
- exemption from property tax ( on the territories of particular gminas),
- free assistance in dealing with formalities connected with the investments,
- site fully prepared for development by the investor at a competitive price.

Permission to begin trading in SEZ is granted by the management board of each zone which also assist in the investment process.

For more information see: [www.paiz.gov.pl](http://www.paiz.gov.pl)

### COIE

The Network of Investors and Exporters' Service Centres (COIE) is a systemic project carried out by the Minister of Economy. The project aims at increasing the level of internationalization of the Polish companies by facilitating the access of entrepreneurs and their associations to free, high-quality, complex information services that are essential to planning, organizing and starting exporting and/or investing abroad. Another objective is to increase the level of foreign investment in Poland by facilitating the access of potential foreign investors to information on regulations on starting a business in Poland and support instruments for the development of entrepreneurship including investment incentives.

The substantive support for COIE will be provided by Trade and Investment Promotion Sections of Embassies and Consulates of the Republic of Poland (WPHI), which possess wide and up-to-date knowledge on entry barriers and business conditions in particular foreign markets.

The systemic project "The Network of Investors and Exporters' Service Centres (COIE)" is co-financed from the European Regional Development Fund, Innovative Economy Operational Programme, 2007-2013.

For more information see: [www.coie.gov.pl](http://www.coie.gov.pl)

**TARIFFS:** Arrival of goods from EU member country is exempted from customs duties, import of goods from third countries is subject to the Common Customs Tariff duties of the EU

## INFORMATION

### SHENGEN ZONE

On 21 December 2007 passport checks were abolished on Poland's border to Germany, Czech Republic, Slovakia and Lithuania by a decision of the European Parliament – all this on account of an extension of the Schengen area to admit nine new states, including Poland.

The present-day Schengen area comprises the following states: Belgium, France, Netherlands, Germany, Luxembourg, Spain, Portugal, Italy, Austria, Greece, Denmark, Finland, Sweden, Czech Republic, Estonia, Lithuania, Latvia, Malta, Poland, Slovakia, Slovenia, Hungary, as well as Iceland and Norway. Still beyond the Schengen area are the United Kingdom and Ireland. Romania, Bulgaria, Cyprus and Switzerland are in the process of implementing the Schengen acquis.

Border-crossing between the Member States of the Schengen Group is now allowed at any place and any time.

### HOLIDAYS IN 2012

January 01	(Sunday) New Year
January 06	(Friday) Epiphany
April 08	(Sunday) Easter
April 09	(Monday) Easter Monday
May 01	(Friday) Labour Day
May 03	(Thursday) Constitution Day
June 07	(Thursday) Holiday of Corpus Christi
August 15	(Wednesday) Assumption of the Blessed Virgin Mary
November 01	(Thursday) All Saints Day
November 11	(Friday) Independence Day
December 25	(Tuesday) Christmas Day
December 26	(Wednesday) Christmas (second day)

### VISA

The period your visa is valid "according to Polish regulations" is the basic period for which you have the right to visit and stay in Poland. Foreigners can apply for visas in Polish diplomatic outposts abroad. They must be ready with their personal details, dates of arrival and departure to and from Poland as well as the purpose of their visit. The consulate will confirm acceptance of applications with the appropriate stamp in the passport.

You must also pay a fee when applying for your passport regardless of the type of visa and period of its validity. In the case of visa applications being refused by a consulate no payments made will be returned. In connection with Poland's EU accession, transit visas have been reintroduced for citizens of Belarus, Russia and Ukraine. Thanks to a beneficial bilateral agreement, citizens of Ukraine will not have to pay a visa fee.

In your passport, assuming you have not been refused entry by the consulate, you will find one of the following types of visa:

- AIRPORT
- TRANSIT
- ENTRY WITH THE PURPOSE OF:
  - repatriation
  - resettlement as a member of a repatriated person's closest family
  - obtaining permission to stay for a specified time or permission to settle permanently
- PURPOSE OF VISIT:
  - tourism
  - visiting
  - participation in sports events
  - conducting economic activity
  - conducting cultural activity or participating in international conferences
  - undertaking special service activities or as a representative of a foreign state
  - participation in matters related to seeking asylum
  - undertaking work
  - science, training, educational - excluding paid work
  - temporary immunity:
    - diplomatic
    - special services
    - courier

Entry visas are granted only:

- short-term
- a maximum stay in Poland of three months in a 6-month period counting from the day of arrival
- long-term – to the year the visa deadline expires

If, however, the purpose of the visit to Poland is to gain employment or conduct other paid work other procedures apply.

#### MEANS OF FINANCING YOUR VISIT

Simply having a visa in your passport does not absolutely guarantee that you will be able to enter the territory of Poland. A very important issue the border authorities will be interested in is how you intend to finance your stay in Poland

For more information see: [www.ms.gov.pl](http://www.ms.gov.pl)

### SAFETY

#### Police

Emergency number 997. The main tasks of the police include guarding the observance of law and prosecution of offenders, as well as ensuring protection and assistance in crisis situations, both with regard to people and property. Among other things, policemen have the right to:

- check people's IDs in order to determine their identity (with justified reasons);
- conduct a personal inspection, as well as check the contents of baggage and check cargo in ports and at railway stations, as well as in road, air and water transport vehicles, in the case of a justified suspicion that an offence punishable by law has been committed;
- apprehend imprisoned persons who, having been on a pass from prison, have not returned to the Penal Institution or custody on the date indicated;
- detain persons who create a threat to human life or health, and to property. When carrying out their duties, they may apply the following coercive measures: handcuffs, police truncheon, straitjacket, irritant gas or financial penalties, the so-called fines.

#### Fines

During a road traffic control, policemen may issue a fine e.g. for the exceeding of the speed limit, transporting the number of passengers exceeding the number of seats in the registration document, driving without lights required by law, violation of the no parking sign, overtaking on pedestrian crossings or directly before them, overtaking a privileged vehicle within a built-up area.

### SHOPPING

Supermarkets, hypermarkets, shopping centers and local stores are located in large cities and small towns of Poland. The opening hours are not formally set and may vary, depending on the city or area.

#### Shopping centers and hypermarkets

Shopping centers are open from 10:00 am to 10:00 pm, hypermarkets usually from 8:00 am to 10:00 pm. In most shopping centers there are supermarkets, restaurants, cinema, souvenir shops, etc. That is why shopping centers have become places most frequently visited by shoppers, as well as places where friends meet.

#### Local shops and filling stations

Both in large cities and in small towns, there are local shops in residential estates where you can buy groceries and household goods. Most of them are open from Monday to Friday, between 7:00 or 8:00 am and 6:00 pm, and on Saturdays until 2:00 pm, and they are usually closed on Sundays. If you need basic products late at night, your best bet are filling station shops open 24/7, even on church and public holidays.

#### Markets

Markets, where you can buy fresh fruit and vegetables and many other things, are very popular in Poland. They are open from Monday to Saturday and are located near large residential estates.